

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

Minutes of the regular meeting of Board of Directors of the Western Regional Off-Track Betting Corporation, held on the 27th day of July 2017, and commencing at 10:00 a.m. in the *Robert J. Kane Board Room*, Corporate Headquarters at 8315 Park Road Batavia, New York.

Participating were:

Buffalo	Michelle Parmer-Garner
Cattaraugus	Richard E. Haberer
Cayuga	Paul W. Lattimore, Jr.
Erie	Beverly A. Mazur
Genesee	Richard E. Siebert
Livingston	Thomas P. Wamp
Monroe	Richard D. Bianchi
Buffalo	Elliott Winter
Orleans	Edward F. Morgan
Oswego	Ronald B. Darrow
Rochester	Dennis Bassett
Schuyler	Philip C. Barnes
Seneca	Richard L. Ricci
Steuben	John E. Clifford
Wayne	Ken Lauderdale
Wyoming	Susan May

Absent:

Allan Hendrickson

constituting the Directors of all participating municipalities.

Also participating were: Scott Kiedrowski, Vice President Operations; Michael P. Nolan, Chief Operating Officer; William R. White, Vice President – Administration; Jacquelyne Leach, Comptroller; Barbara Mruzek, Deputy Comptroller; Steven Haigh, Internal Auditor; Sean Schiano, Director of Branch Operations; Todd Haight, Director/General Manager Live Racing /Branch Operations Specialist; Ryan Hasenauer, Director of Marketing-WROTB & Video Gaming; Cindy DeCarlo, Controller; Edward Merriman, Manager of Branch Operations; James Haas, Communications/Mutuels Manager; Gayle Ashbery, Director of Purchasing;

A roll of the membership of the Board having been called, Mr. Kiedrowski declared a quorum present.

Chairman Bianchi proceeded to conduct the meeting following the published Agenda for this regular meeting.

Chairman Bianchi then asked Director Winter to lead the assemblage in the Pledge of Allegiance.

1. **Approval of Previous Minutes:**

Chairman Bianchi called for amendments, additions, deletions, or corrections to the minutes of the previous meeting of June 22, 2017. There being none, a motion was made by Director May and seconded by Director Haberer to approve the June minutes as submitted. The minutes were approved unanimously by a voice vote.

2. **Communications:**

Mr. Kiedrowski informed the Board of a notice of thanks and kind thoughts from Mr. and Mrs. Paul Lattimore, Jr.

Mr. Kiedrowski informed the Board of a notice of thanks from the Genesee Cancer Assistance for donating salads and rolls for the Festival of Hope fundraiser that was held at Batavia Downs Gaming on June 3rd.

3. **Officers' Reports:**

There were no Officers reports.

4. **Finance Committee Report:**

Committee Chairman Lauderdale reported that the Finance Committee meeting was held on Wednesday, July 26, 2017 at 2:01 p.m. and the following business was considered.

Mrs. Leach reviewed the June 2017 Comptroller's report with Committee members. The month of June generated surcharge of \$98,658, and operational earnings of \$315,710. The second quarter of 2017 produced operational earning for distribution in the amount of \$1,360,392. Combined surcharge and earnings distributions in the amount of \$1,459,050 will be mailed to member municipalities on Monday, July 31, 2017.

This was provided for informational purposes.

The Finance Committee meeting adjourned at 2:23p.m.

5. Personnel Committee Report:

Committee Chairman Wamp reported the Personnel Committee meeting was held on Wednesday, July 26, 2017 at 1:32 p.m. and the following business was discussed.

Mr. Schiano informed the Committee of one pending arbitration, a PERB hearing, as well as that we are still awaiting a decision in a Human Rights complaint.

Mr. Wojtaszek informed the Committee via telephone that he is working with the Healthcare Committee and believes that after due diligence by staff and the Committee, that self funding is likely the best avenue for workers compensation. A proposal will be made at an upcoming meeting.

Mr. Wojtaszek informed the Committee that Mr. Gabriele and Mr. Haigh are working on amending both the Bereavement and Compensation Policies.

Mr. Wojtaszek informed the Committee of the partnership in the hiring of the Catering Manager with Hart Hotels on a three month trial basis with a goal to increase events at our facility.

The Personnel Committee meeting adjourned at 2pm.

6. Legislative Committee Report:

Committee Chairman Barnes reported the Legislative Committee meeting was held on Wednesday, July 26, 2017 at 2:49 p.m. and the following business was discussed.

The Committee received a report from Mr. Wojtaszek by telephone who outlined the three goals that we have moving forward:

1. Tax Equity
2. Changing the added taxes for going over \$50 million
3. Sports Betting Environmental especially with upcoming Supreme Court case

Mr. Wojtaszek added we will be looking to hire one Lobbying firm that can especially help us with Legislature and Governor's Office.

Mr. Wojtaszek informed the Committee that we will still be pushing for help on the OTB side but will benefit from any work done by the OTB Corporations in the State.

The Legislative Committee meeting adjourned at 3:14 p.m.

7. **Insurance Committee Report:**

The Insurance Committee did not meet.

8. **Advertising Committee Report:**

Committee Chairman Clifford reported the Advertising and Promotions Committee met on Wednesday, July 26, 2017 at 2:30 p.m. and the following business was discussed.

Mr. Todd Haight, Director/General Manager Live Racing delivered a presentation of upcoming OTB and Live Racing Events including the Saratoga meet and Live Racing Promotions.

Mr. Hasenauer informed the Committee of the recently attended Racing Marketing Conference in Las Vegas. The topics discussed at the conference included the impact of Social and digital media, increased competition and branding. Batavia Downs won 4 awards including one gold trophy and three honorable mentions for marketing promotions in a ceremony at the conference.

The GLOW 5K Fundraiser is next week and Batavia Downs will have 37 people participating.

Director Bassett asked about the branding of other local gaming facilities and discussion was had regarding how our various competitors position themselves in the marketplace.

A discussion took place with several Directors about the competitor's use of Free Play versus our own, its sustainability and the effect on the hold.

Director Ricci talked about a recent competitor's struggles and attempts to use entertainment to gain more customers. He commended staff on Batavia Downs doing the same thing. He urged staff to continue to utilize event space to grow business.

The Advertising Committee meeting adjourned at 2:45 pm.

9. **Audit Committee Report:**

The Audit Committee did not meet.

10. **Batavia Downs Operations Committee Report:**

Committee Chairman Morgan reported the Batavia Downs Operations Committee met on Wednesday, July 26, 2017 at 3:04 p.m. and the following business was discussed.

Mr. Nolan reported the figures and monthly status report of gaming statistics to the Committee.

Ms. DeCarlo reported the figures for gaming financials.

Mr. Haight, Director/General Manager Live Racing provided Live Racing updates to the Committee.

Mr. Wojtaszek informed the Committee that the Capital Awards has been submitted to the NYS Gaming Commission and is awaiting approval.

Mr. Wojtaszek informed the Committee that he has been working aggressively on grants that would include up to \$350,000 for training programs, paddock and infrastructure at Batavia Downs.

Mr. Nolan informed the Committee that there will be a cost review of the Batavia Downs Concert Series provided at the next Board meeting.

Chairman Bianchi and Director Siebert both expressed how well the concert series ran and what a great atmosphere it was and commended employees for making the concert series successful.

Mr. Larry May provided drone video from the Marshall Tucker Band concert that was shown.

Mr. Nolan presented Resolution #14-2017 to the Committee for Sherwin Williams as a sole source provider not to exceed \$15,000 for the remainder of 2017.

Upon motion by Director Morgan and seconded by Director Haberer to approve the sole source provider Sherwin Williams a roll call vote was taken Ayes: 15; Nays: 0; Abstain: 1; Darrow; Absent 1; Hendrickson. The motion passed. **(Resolution #14-2017).**

10. **Batavia Downs Operations Committee Report continued:**

Mr. Nolan informed the Board of a resolution needed for Home Depot Supplemental not to exceed \$15,000 for the remainder of 2017.

Upon motion by Director Morgan and seconded by Director May to approve Home Depot a roll call vote was taken Ayes: 16; Nays: 0; Absent 1; Hendrickson. The motion passed. **(Resolution #17-2017).**

Mr. Nolan informed the Board of a resolution needed for the Made in America Store Supplemental not to exceed \$30,000 for the remainder of 2017.

Upon motion by Director Morgan and seconded by Director Ricci to approve the Made in America supplemental a roll call vote was taken Ayes: 16; Nays: 0; Absent 1; Hendrickson. The motion passed. **(Resolution #18-2017).**

The Batavia Downs Committee adjourned at 3:40 pm.

11. **Branch Operations Committee Report:**

Committee Chairperson Mazur reported that the Committee met on Thursday July 27, 2017 at 9:30 a.m. and the following business was discussed.

Mr. Merriman informed the Committee that he and Mr. Wojtaszek visited the Jamestown Branch. He reported that the Empire remodeling continues, maintenance has been reusing flat screens at Military and McKinley branches so far, and staff is using the web to locate possible new employees in Erie County.

Mr. Gabriele reported that the Newark sale continues to be frustrating but he is optimistic. The Transit sale should close in the next couple of weeks and he reported that there is still no significant interest on the Seneca Falls location.

Mr. Schiano informed the Committee that the applications have been submitted for M4300 Lounge in Rochester, Monroe County and Attitudes in Lockport, Niagara County. He reported that Cruiser's closed as of June 21, 2017 and also that Landon's Pub had a successful Grand Opening and that we appreciate Mr. White and Director Barnes attending and helping with this party.

Mr. Haas informed the Committee that Batavia Bets handle was just under \$1 million for June, up \$60,000 from 2016. He reported that July is already up \$10,000 at \$784,000 with six (6) days left. Year to date Batavia Bets is up almost \$460,000 or 8%.

11. Branch Operations Committee Report continued:

Mr. Schiano informed the Committee that Mr. Wojtaszek has visited all branches except Hornell to date. He is pleased with the look of the branches, sees a number of small touch ups that can enhance most locations and knows better now what locations have bigger needs. Mr. Wojtaszek was also glad to see all the employees and spend time with them.

The Branch Committee meeting adjourned at 9:40 a.m.

12. Resolutions:

**#14-2017 Sherwin Williams
#17-2017 Home Depot Supplemental
#18-2017 Made in America Supplemental**

13. New Business:

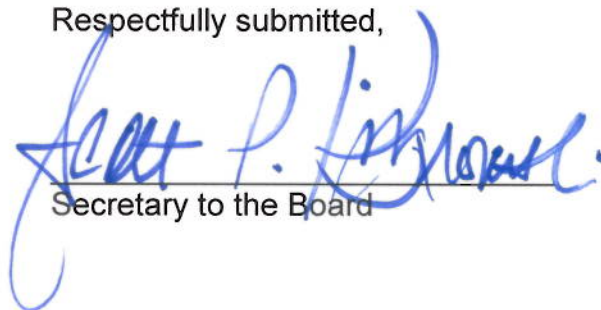
Mr. Kiedrowski informed the Board of the G2E Global Conference October 3-5 in Las Vegas and asked for Board approval for Officers and four Board members to travel Out of State.

The next Committee and Board meetings are scheduled for August 23 and 24, 2017 respectively.

14. Adjournment:

Director Ricci made a motion to adjourn which Director May seconded. The meeting was adjourned at 10:22 a.m.

Respectfully submitted,


Secretary to the Board

/pma